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April 19, 1993

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Ms. Donna Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Suite 222  
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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Implementation of the Telephone  
Disclosure and Dispute Resolution Act

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APR 19 1993

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
 Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
 OFFICE OF THE SECRETARY

In the Matter of	)	
	)	CC Docket No. 93-22
Policies and Rule Implementing	)	RM-7990
the Telephone Disclosure and	)	
Dispute Resolution Act	)	

COMMENTS  
 OF  
THE SOUTH CAROLINA TELEPHONE COALITION

The South Carolina Telephone Coalition ("SCTC") hereby respectfully submits its comments on the Commission's Notice of Proposed Rule Making and Notice of Inquiry in the captioned proceeding, FCC 93-87, released March 10, 1993 ("Notice"). The members of SCTC are local exchange telephone companies that provide service within the State of South Carolina. The specific SCTC companies are listed in Appendix A hereto.

In the Notice, the Commission proposes to implement its obligations under the Telephone Disclosure and Dispute Resolution Act ("TDDRA") concerning pay-per-call services with revised and expanded regulations for such services. Rules for pay-per-call services were previously adopted by the Commission.<sup>1</sup> In order to bring those rules into conformance with the TDDRA, the Commission states that it must adopt new rules or amend existing rules in certain instances and in other cases can rely on existing rules.

SCTC offers comments on several of the specific proposals

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<sup>1</sup>Policies and Rules Concerning Interstate 900 Telecommunications Services, CC Docket No. 91-65, Report and Order, 6 FCC Rcd 6166 (1991), Order on Reconsideration, FCC 93-88, released March 10, 1993.

advanced in the Notice. In addition, SCTC advocates that the Commission modify its proposal with regard to blocking and presubscription regulations in order to conform with the central purpose of the TDDRA.

1. Separate intrastate pay-per-call numbers are not warranted and all interstate pay-per-call services should use the 900 number designation.

In connection with the stated TDDRA requirement that pay-per-call services be offered only through the use of certain telephone number prefixes and area codes, the Commission raises the issue of whether intrastate pay-per-call services should be assigned separate office codes. Notice, para. 18. The issue is raised pursuant to apparent concern that customers may not recognize certain numbers as intrastate pay-per-call service numbers.

SCTC is opposed to having the Commission designate separate intrastate codes for pay-per-call services. Such a numbering system would require that an information provider obtain two numbers for the same pay-per-call service, one for interstate calls and another for intrastate calls. This differentiation would create customer confusion and signal a step backward technologically.

The Commission also concludes that consumers' interests would be best served by requiring that 900 is the only service access code that may be used for interstate pay-per-call services. Notice, para. 17. SCTC would support using 900 as the only service access code for interstate pay-per-call services.

In summary, distinct numbering for intrastate pay-per-call service is not required to carry out the purposes of the TDDRA. Designation of 900 as the singular access code for interstate pay-per-call services would, however, protect consumer interests. In this regard, if more responsive blocking procedures are adopted, as specified below, less customer confusion should result and fewer unanticipated charges will be incurred.

2. Collect calls of a pay-per-call nature should not be allowed.

The Commission proposes to prohibit common carriers from disconnecting or interrupting local exchange or long distance service for nonpayment of pay-per-call charges. Notice, para. 20. This provision is to include non-payment of charges for collect calls incurred in connection with pay-per-call services. Notice, para. 21. The Commission specifically notes the high number of complaints received in connection with collect audiotext calls and seeks comment on whether carrier billing should be prohibited for these services. Notice, fn. 15.

SCTC supports the proposed prohibition on disconnection or interruption of local exchange and long distance services for nonpayment of collect pay-per-call services. In view of the significant confusion and number of complaints concerning collect calls of a pay-per-call nature, SCTC advocates that the Commission prohibit the use of collect calls in connection with pay-per-call services altogether. Such a rule would be consistent with the TDDRA's purpose of protecting consumers.

3. Billing practices should include a requirement that a number be established to answer subscriber questions.

The Commission proposes to require that a toll-free number be established and made available to customers. Notice, para. 37. This proposal implements the requirements of Section 228(d) of the TDDRA.

SCTC supports the proposal to establish a toll-free number for customer inquiries and complaints. In this regard, the Commission should specify that a number be established for each interexchange carrier engaged in carrying pay-per-call services. This would relieve the local exchange carriers from an undue obligation connected with pay-per-call services. It has been the SCTC members' experience that the local exchange carrier is the entity that receives the complaints for problems connected with pay-per-call services and therefore incurs added costs when customers are dissatisfied or have problems. Requiring a toll-free number should alleviate much of this burden on the local exchange carriers.

4. The blocking provisions should be revised to allow either local exchange carriers or state regulatory commissions to adopt appropriate procedures.

When it proposed pay-per-call services and regulations, including its initial blocking provisions, the Commission recognized the value of such services to residential and business customers but balanced this with the "dramatic increase in the

number of ... consumer complaints."<sup>2</sup> The basis for the blocking provisions was not further addressed at the time the final rules were adopted.<sup>3</sup> In a subsequent decision, the Commission expanded upon the basis for its particular blocking regulation, namely "to encourage the availability of 900 services because such services serve the public interest;" and to "ensure that consumers can control their exposure to pay-per-call services."<sup>4</sup> In that decision, the Commission ruled that a state adopted blocking provision giving customers the initial option to opt in or opt out of pay-per-call services was inconsistent with its blocking rule and, if implemented, would give no weight to the Commission's goal of making interstate services, in this case pay-per-call services, generally available.<sup>5</sup>

By contrast, the TDDRA specifically directs the Commission to

option to block all or specific pay-per-call services and to presubscribe or block specific pay-per-call services. Nowhere in that directive does Congress impel the Commission to balance the goal of promoting the development of pay-per-call services with the protection of consumers.<sup>6</sup>

Since the purpose of this proceeding is to implement the directives of the TDDRA, the Commission should reevaluate its blocking provisions in light of the specific objectives for such regulation. The protection of consumers must be the basis for the Commission's blocking and presubscription provisions. SCTC proposes that the Commission modify its blocking regulations to allow each local exchange carrier to devise and implement its own blocking and/or presubscription policies for pay-per-call services within general guidelines found in Section 228(c)(4) of the TDDRA. This would essentially allow a local exchange carrier to determine whether an opt-in or opt-out policy would best suit the needs of its customers. If a local exchange carrier has the capability of providing specific number blocking or presubscription, that alternative could be offered. Opt-out blocking is actually presubscription, since the customer makes the choice of whether to take particular pay-per-call services. Thus, such a policy was provided for in the TDDRA. In the alternative, the Commission could adopt modified blocking provisions that would permit state

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<sup>6</sup>While the Commission relies on a position of the general statement of purpose of the TDDRA (Notice, para. 7), the promotion of legitimate development of pay-per-call services is not included

regulatory commissions to determine appropriate blocking and/or presubscription rules for pay-per-call services within general guidelines under the TDDRA.

Neither suggested alternative would preclude a customer from receiving pay-per-call services. If a customer is going to pick up a telephone, dial a number and knowingly incur a charge, that customer will take the time to respond to the policy of the local exchange carrier. To argue that an alternative procedure will cause irreparable harm to the information provider industry or is overly intrusive is to focus on the lack of appeal of the service being offered and to disregard the public interest that is the basis for the TDDRA provisions.

It should be noted that pay-per-call services are classified by the Commission as enhanced services. Other enhanced services, such as call waiting and call forwarding, require customer initiation before the local exchange carrier makes them available to a particular customer. Thus ample precedent exists for



### Conclusion

The South Carolina Telephone Coalition advocates that, in adopting its revised regulations for pay-per-call services, the Commission not require separate office codes for intrastate services and specify 900 as the service access code for interstate pay-per-call services, that it preclude the use of collect calls in connection with pay-per-call services, and that it require interexchange carriers to establish toll-free numbers for the purpose of assisting pay-per-call customers. Furthermore, SCTC urges the Commission to revise its blocking rules to permit local exchange carriers or state regulatory commissions to adopt provisions suitable to the areas being served within guidelines established in the Telephone Disclosure and Dispute Resolution Act.

Respectfully submitted,

SOUTH CAROLINA TELEPHONE COALITION

By:

  
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Its Attorney

April 19, 1993

## APPENDIX A

### MEMBERS OF THE SOUTH CAROLINA TELEPHONE COALITION

ALLTEL South Carolina, Inc.  
Bluffton Telephone Company  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Fort Mill Telephone Company  
Hargray Telephone Company  
Heath Springs Telephone Company  
Home Telephone Company  
Horry Telephone Cooperative, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridge Telephone Company  
Ridgeway Telephone Company, Inc.  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Matthews Telephone Company  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company